

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEVADA

3 In re: )  
4 STATIONS CASINOS, INC. CH: 11 ) 09-52477-GWZ )

5 #1 HEARING PERTAINING TO JOINTLY )  
6 ADMINISTERED DEBTOR GREEN VALLEY )  
7 RANCH GAMING LLC, RE: APPROVAL OF )  
JOINT DISCLOSURE STATEMENT FILED BY )  
SUBSIDIARY DEBTORS, ALLANTE )  
DEBTORS, AND GVR AND CONFIRMATION, )  
PERTAINING TO JOINTLY ADMINISTERED )  
DEBTOR GREEN VALLEY RANCH GAMING, )  
LLC, OF JOINT CHAPTER 11 PLAN OF )  
REORGANIZATION FILED BY SUBSIDIARY )  
DEBTORS, ALLANTE DEBTORS & GVR - AS )  
SUPPLEMENTED AND AMENDED )

In re: )  
12 )  
STATIONS CASINOS, INC. CH: 11 ) 09-52477-GWZ  
13 )  
#2 APPLICATION BY THE OFFICIAL )  
14 COMMITTEE OF UNSECURED CREDITORS OF )  
GREEN VALLEY RANCH GAMING LLC FOR )  
15 ORDER APPROVING THE EMPLOYMENT AND )  
RETENTION, NUNC PRO TUNC, OF BROWN )

17 In re: )  
18 STATIONS CASINOS, INC. CH: 11 ) 09-52477-GWZ  
19 #3 APPLICATION BY DOWNEY BRAND LLP FOR )  
20 ORDER APPROVING ITS EMPLOYMENT AS )  
LOCAL COUNSEL FOR THE OFFICIAL )  
21 COMMITTEE OF UNSECURED CREDITORS )  
GREEN VALLEY RANCH GAMING, LLC )

1       In re: )  
2       STATIONS CASINOS, INC.                   CH: 11 ) 09-52477-GWZ  
3       #4 APPLICATION BY THE OFFICIAL )  
4       UNSECURED CREDITORS COMMITTEE OF )  
5       GREEN VALLEY RANCH GAMING LLC FOR )  
6       ORDER APPROVING THE EMPLOYMENT OF )  
7       GLC ADVISORS & CO., LLC AS )  
8       FINANCIAL ADVISOR - NUNC PRO TUNC )

9  
10    U.S. Bankruptcy Court  
11    300 Booth Street  
12    Reno, NV 89509

13    June 8, 2011  
14    10:07 a.m.

15    BEFORE THE HONORABLE GREGG W. ZIVE, Judge

16       APPEARANCES:

17       For Green Valley Ranch:                 David Seligman  
18   KIRKLAND & ELLIS  
19   555 California Street  
20   San Francisco, CA 94104

21       For Second-lien Lenders:                 Howard Steel  
22   BROWN RUDNICK  
23   Seven Times Square  
24   New York, NY 10036

25       For U.S. Trustee:                         William Cossitt  
26   300 Booth Street, Rm 3009  
27   Reno, NV 89509

28       For First-lien Lenders:                 Ben Murphy  
29   DEWEY & LEBOEUF  
30   333 South Grand Avenue  
31   Los Angeles, CA 90071

32       For Green Valley Ranch:                 James Shea  
33   SHEA & CARLYON  
34   701 Bridger Ave., Suite 850  
35   Las Vegas, NV 89101

36       Proceedings recorded by electronic sound recording; transcript  
37   produced by AVTranz.  
38

1                   THE COURT: Please be seated. This is in the matter  
2 of Green Valley Ranch Gaming, Inc.

3                   I'm going to take care of a few procedural matters  
4 before we get into the substance of the matter I have in front  
5 of me. First of all I need to make a short record.

6                   I have reviewed a docket number 2856, a transcript of  
7 proceedings conducted April 14th, 2011; docket number 3193,  
8 transcript of hearing conducted May 18th; docket number 3286,  
9 transcript of the hearing I conducted May 25th; docket number  
10 3338, transcript of an emergency hearing status conference that  
11 I conducted May 31; as well as docket number 3354, transcript  
12 of proceedings, hearing status conference conduct June 1st.

13                  In that regard several of those matters pertained to  
14 my ruling that was entered on May 25th regarding the  
15 constitution of the committee of unsecured creditors. I would  
16 point out that I still have the cases I relied upon, and I  
17 looked at my notes as well as the transcript.

18                  I instructed counsel to the prevailing party to  
19 prepare findings and conclusions in an order. I have been  
20 provided with those. They drew an objection pursuant to our  
21 local rule 9021, as I was told they would during the status  
22 conference. And that is docket number 3404, and that was filed  
23 yesterday afternoon. I have had an opportunity, as I've  
24 indicated, to study the transcript, study my notes, and study  
25 the competing orders.

1 Who was preparing the order on behalf of GVR? Who  
2 was the scrivener?

3 MR. SELIGMAN: Your Honor, David Seligman on behalf  
4 of the debtors. Kirkland Ellis prepared it.

5 THE COURT: All right.

6 MR. SELIGMAN: Did you have comments or questions  
7 that you wanted us to --

8 THE COURT: No. What I'm going to do is -- because  
9 neither of -- neither the findings nor the order are in my  
10 computer. I have gone through and made changes to both. And  
11 since I expected you to prepare them, I'm going to ask you to  
12 prepare the changes. These will constitute my findings and  
13 conclusions and my order.

14 So I hate to do this, but I don't know any other way  
15 of accomplishing it. So we're just going to be scriveners for  
16 a minute here, and we're going to get it done.

17 MR. SELIGMAN: That's fine, Your Honor. We'll --  
18 I'll write those notes.

19 THE COURT: I think we -- if I don't get this done,  
20 it won't get done. Let's go through the findings.

21 And who, on behalf of the second-lien lenders, was  
22 responsible for the objection and the red-line versions that I  
23 read?

24 MR. STEEL: Your Honor, this is Howard Steel of Brown  
25 Rudnick. Can you hear me, Your Honor?

1                   THE COURT: Yes, sir, I can.

2                   MR. STEEL: Your Honor, Brown Rudnick prepared it on  
3 behalf of the second-lien lenders.

4                   THE COURT: All right. You might want to follow with  
5 me.

6                   MR. STEEL: Thank you, Your Honor.

7                   THE COURT: Thank you.

8                   As I went through the red-line notes provided -- it  
9 was very helpful -- I compared it with what I wanted based upon  
10 my notes as well as the proposed order. So let's just go  
11 through that. There were no significant changes to the  
12 findings and conclusions that I could see until we got to  
13 paragraph 11 of the proposed findings. The objection sought to  
14 strike those. I do not want to strike those.

15                  I did pull the status conferences on May 31 and June  
16 1. They did pertain to some of the issues that I raised on May  
17 25th, and I have no -- I think they have to be part of the  
18 findings to adequately explain what had occurred.

19                  Then the -- I am going to keep paragraphs, as  
20 decreeal (sic) paragraphs, 14, 15, 16, 17, 18, 19, 20, and 21,  
21 as proposed by counsel for GVR.

22                  I think it's important to have those provisions  
23 cited. They are clearly what I relied upon. They form the  
24 predicate for my decision. I don't know how anyone could  
25 review the order and the findings without being aware of the

1 provisions of the agreement. By including them I do not think  
2 that I am making any determination that would require an  
3 adversary, which is what I talked about both on May 25th, May  
4 31st, and June 1st, and I'll deal with that again later.

5 The paragraph 20 in the proposed findings by the  
6 second-lien creditors -- do you have that? Strike the first  
7 sentence, but include the second sentence and the third  
8 sentence. And that should be -- I'm going to keep paragraph 22  
9 as proposed by GVR. Then I'm going to insert amended 20 from  
10 Brown Rudnick's. So it would read:

11 "The intercreditor agreement does not contain  
12 any proscription on unsecured creditors  
13 serving on the committee, but to the extent  
14 an unsecured creditor is a party to the  
15 intercreditor agreement, that creditor's  
16 service on the committee might be severely  
17 limited and might preclude the creditor from  
18 being an effective member of the committee,"  
19 period. And strike the last sentence.

20 Then paragraph 23 in the proposed order by GVR we're  
21 going to amend. It will read as follows: "The second-lien  
22 lenders have not indicated a willingness to recover based on  
23 any liens that" -- we're going to change that. It should be:

24 "The second-lien lenders did indicate a  
25 willingness not to recover based on any liens

1           that may exist for second -- pursuant to the  
2           second-lien credit agreement and/or related  
3           documents or otherwise and indicated a  
4           willingness to waive such liens, but not  
5           without certain conditions including orders  
6           from the court to which the first-lien lenders  
7           objected and which the court declined to  
8           grant."

9       And I think that accurately sums up what occurred.

10           I am going to leave paragraph 24 in the proposed  
11          findings as is. And the next change will be in the conclusions  
12          of law. 27, 28, and 29 shall remain. 30 shall remain. 31  
13          shall remain. Those were specific findings that I made.

14           We are going to change what is proposed 32. The  
15          following will be added:

16           "By this order the Court does not make any  
17          determination as to the rights, remedies, or  
18          obligations" --

19       I don't like "and/or" --

20           "...or obligations the parties may have under  
21          the intercreditor agreement, the first-lien  
22          credit agreement, the second-lien credit  
23          agreement, or any related agreements" --

24       Oh, at the beginning of that sentence add the word "while." So  
25       it says: "While by this order the court does not make" -- then

1 there will be a comma after "related agreements," and it would  
2 read:

3           "The restrictions imposed upon the  
4 second-lien creditors by the agreement cited  
5 in the foregoing findings and conclusions,  
6 including the intercreditor agreement, would  
7 preclude the second-lien creditors from  
8 adequately representing the unsecured  
9 creditors."

10          The next paragraph would then read as follows: "The  
11 Court concludes that the second-lien creditors cannot be  
12 members of the committee," period.

13          I do not believe that paragraphs 33, 34, or 35 are  
14 necessary because I've already referred to the provisions that  
15 I cited in the findings of fact. So strike 33, 34, and 35. 36  
16 shall remain, and 37 shall remain.

17          Those will constitute my findings and conclusions.  
18 The order as proposed is acceptable to me. Please submit those  
19 and we'll sign them. So that takes care of that.

20          I want to thank counsel very much for their  
21 assistance both for GVR and the second-lien creditors.

22          I am now going to go to the only matter I have  
23 scheduled for this morning, and that is a hearing regarding  
24 approval of the joint disclosure statement and confirmation of  
25 the plan.

1                   As to the disclosure statement, I have seen no  
2 objections to the disclosure statement. I have reviewed the  
3 disclosure statement, docket number 2797, I believe. I am  
4 subject to being corrected. 2797 is correct, and the exhibit  
5 to that is the plan. I am going to approve the disclosure  
6 statement. And that gets us right to the plan itself.

7                   Before I do that I want -- I had three other matters  
8 on calendar for today, and I got a notice of continued  
9 hearing. And those are regarding the applications for three  
10 professionals for the formerly constituted committee. That  
11 would have been Brown Rudnick, Downey Brand, and GLC, and they  
12 asked to continue those hearings. Is that correct?

13                   Mr. Steel, is that correct?

14                   MR. STEEL: Yes, Your Honor. That's correct.

15                   THE COURT: All right. I know that it's a little bit  
16 unusual because a committee was formed that, based upon the  
17 oral ruling and now the written ruling that I've just  
18 completed, that there are no committee members and the office  
19 of the U.S. Trustee told me last week that there were no other  
20 acceptances.

21                   Mr. Cossitt, I need you to make an appearance at this  
22 time, please.

23                   MR. COSSITT: Bill Cossitt, Office of the United  
24 States Trustee. We received no responses to the second  
25 solicitation, Your Honor.

1                   THE COURT: Thank you. Therefore there is no  
2 committee.

3                   MR. COSSITT: There is no committee.

4                   THE COURT: Thank you. So that, of course, leads to  
5 a little bit of a conundrum, which is how can it be employed by  
6 an entity that doesn't exist right now. However, I don't have  
7 any problem in appointing, just to let you know, and I have  
8 seen no objections to these applications.

9                   And I don't really know what the position is of the  
10 U.S. Trustee, and I'm going to ask Mr. Cossitt. But I don't  
11 have, at least in theory, a problem with the appointment,  
12 understanding that it's nunc pro tunc because of the services  
13 that were provided. Then we would evaluate what those services  
14 are.

15                  I know that GLC wanted a minimum of seven months. I  
16 obviously can't do that.

17                  MR. COSSITT: That one has been amended, Your Honor,  
18 by them. But all that should be heard on the date it's being  
19 continued to.

20                  THE COURT: That's acceptable to your office?

21                  MR. COSSITT: Yes. And in terms of the U.S. Trustee,  
22 it's our position that it's the same as other professionals.  
23 You may start employment before your approval, and that isn't  
24 prohibited nor should it be because nobody could get a running  
25 start -- you would never get things done around here. It would

1       be even slower than it is now.

2           THE COURT: I concur.

3           MR. COSSITT: Yeah.

4           THE COURT: Okay. So we'll hear those on July 8th.

5       I was just told there was an amendment to GLC. I haven't seen  
6       that.

7           MR. COSSITT: It's filed, Your Honor, or at least I  
8       received it. It's -- they are asking for a fee of 300,000  
9       and --

10          THE COURT: For two months.

11          MR. COSSITT: -- and changing it from 328 approval to  
12       330 approval.

13          THE COURT: And review under 327.

14          MR. COSSITT: Well, 330, yes.

15          THE COURT: Which is, of course, what I would have  
16       done. I noted that in their --

17          MR. COSSITT: Okay.

18          THE COURT: -- application.

19          MR. COSSITT: But those issues, again, we can address  
20       them at the hearing date --

21          THE COURT: Thank you very much.

22          MR. COSSITT: -- when people got a chance to --

23          THE COURT: It just allows me to move some of the  
24       paper from in front of me. I have plenty.

25          As I've indicated, I reviewed the transcripts of the

1 hearings that have been conducted in this case; I reviewed the  
2 proposed findings of fact and conclusions of law; I've reviewed  
3 the proposed order.

4 There are going to be a couple of -- at least two  
5 changes that I'm aware of that we're going to need to do in  
6 proposed findings, but let me make my record first. I have  
7 notebooks all over but I'm going to try to be complete.

8 The disclosure statement is docket number 2797. I  
9 have reviewed it again for the purposes of today's hearing. I  
10 have already approved it.

11 Exhibit A was the joint plan. I have reviewed that.  
12 I know that the joint plan was amended by docket number 3186  
13 and docket number 3253. They really didn't change any  
14 provision of the plan as it related to the GVR entity, and, in  
15 fact, the findings so state and that's accurate.

16 So what I have concentrated on was a notebook that  
17 was provided to me for the hearing of May 25th, which is docket  
18 number 3253, which is the plan that's before me today, and that  
19 is the one that I have added to.

20 I did go back and review the asset purchase  
21 agreement. One of the problems that I had was finding an  
22 effective date. I know there's various conditions to effective  
23 date, but I think that we're going to need to have those  
24 clarified, and what that -- in the order. I'm not, I think --  
25 because some of the conditions already occurred.

1                   So I think we need to clarify that. I think the  
2 effective date is important. So I'm going to -- and I know I  
3 went through this. It doesn't do me much good when I read the  
4 plan, and it says the effective date has -- I guess it's the  
5 asset purchase agreement. That's what I thought it -- I  
6 couldn't find it in the plan; I couldn't find it in the  
7 disclosure statement.

8                   So I looked in the APA, and it says the effective  
9 date has the meaning set forth in the preamble. Not much help  
10 because the preamble doesn't say anything about the effective  
11 date, assuming that the preamble is the beginning of the  
12 agreement, which by definition it should be.

13                  So I can't find it. So we're going to have to give  
14 some thought to exactly what will trigger the effective date,  
15 because there's a number of occurrences that must take place to  
16 consummate this plan: the assumption of the GVR purchase  
17 agreement; the assumed liabilities -- all those transactions  
18 that are referred to throughout a variety of pleadings. So I  
19 do have -- I have reviewed that.

20                  By the way the asset purchase agreement was Exhibit D  
21 to the plan. And so I did read it.

22                  Also there's constant reference to the GVR purchaser,  
23 but we know, do we not, that the GVR purchaser is Station GVR  
24 Acquisitions, LLC. Isn't that correct?

25                  MR. SELIGMAN: That's correct, Your Honor.

1                   THE COURT: And that is wholly owned by Station  
2 Casino, LLC, also known as New Propco. Correct?

3                   MR. SELIGMAN: That's correct.

4                   THE COURT: And Station, LLC, or New Propco, is owned  
5 45 percent by what I will -- I'm not even sure any longer what  
6 the entity is -- Fertitta Gaming, Fertitta Entertainment -- but  
7 Fertitta controlled, 45 percent.

8                   MR. SELIGMAN: That's correct, Your Honor.

9                   THE COURT: Yeah. And 40 percent by the lenders.

10                  MR. SELIGMAN: Right.

11                  THE COURT: And 15 percent by the creditors from the  
12 prior cases that I've already confirmed.

13                  MR. SELIGMAN: That's correct, Your Honor.

14                  THE COURT: So that's -- I just think it's better to  
15 refer to one entity, and it should be Station GVR Acquisition,  
16 LLC.

17                  I notice in Mr. Haskins' declaration, I think in  
18 paragraph 17, that he said the purchaser was not a  
19 corporation. Well, a limited liability company is a  
20 corporation, and that is kind of at odds with paragraph 28 of  
21 his declaration. But we have authority in this district  
22 finding that LLCs be treated exactly the same as corporation,  
23 just limited liability.

24                  I don't think it makes any important difference, but  
25 I think, when you get as complex a structure as existed in all

1       these cases, that specificity is helpful or else you get  
2       tripped up between New Opco, New Propco -- who are all these  
3       people? And I think everybody's entitled to have so much  
4       clarity as possible. Now that was in volume II of some  
5       notebooks that contained all the pleadings.

6                 In volume I, there's the following -- and I've read  
7       all of these matters.

8                 Once again, docket number 3253, which is the plan.  
9       It also provided me with pleadings I already had, and I pulled  
10      them out separately.

11                I had docket number 3127, which was the preliminary  
12      objection of the official committee of unsecured creditors when  
13      it existed, filed on May 16th. I have read it. I read before  
14      the hearing on May 25th. I read the exhibits.

15                I allowed them to be filed under seal. I'm sure  
16      there's an order, but I haven't reviewed the order.

17                And then there was an amended preliminary objection,  
18      filed docket number 3129, filed on the 23rd of May. I read  
19      that as well. Some of the changes were subtle; others were  
20      not.

21                What had happened, there had been certain occurrences  
22      regarding discovery, the fact that I was going to set the  
23      hearing on the 25th to make certain determinations regarding  
24      the composition of the committee, and I had already agreed to  
25      continue the hearing on the -- to the day. And I think that

1 order is 3120 -- I can't remember. I know it's in there and  
2 I'll get to it.

3 I have also read the amended preliminary objection.  
4 I've read the unredacted versions of all of those and the  
5 exhibits attached thereto, and counsel can see -- you can see  
6 that they are in fact tabbed.

7 And I read them because I thought that it's incumbent  
8 upon the court to be aware of all the issues. I have to make  
9 certain findings under 1129, and it's helpful for me to read  
10 the concerns that have been filed, and I have. And I have.

11 I read the reply filed by the steering committee of  
12 the first-lien lenders -- Mr. Murphy's pleading, I'm sure, and  
13 that's docket number 3189, and it raised the intercreditor  
14 agreement issues. I obviously had read that before the hearing  
15 on May 25th.

16 It also dealt with -- I read the same thing several  
17 times. I have the motion to adjourn. At any rate I'm familiar  
18 with it.

19 And then, as I said, I also received -- well, I  
20 pulled them out separately at any event -- two other  
21 objections. I've only seen two other objections that were  
22 filed.

23 One was docket number 3124, filed on May 16, on  
24 behalf of Diane Dahlheimer (phonetic) who had allegedly  
25 suffered some injuries in a fall that occurred January 17th,

1       2009, at the Green Valley Ranch. And that was filed by a  
2 supplemental opposition that contained some pretty good points  
3 and authorities, frankly -- docket number 3368, filed on June  
4 2nd. I've read both of those.

5                  I did not see where there was a reply, but based upon  
6 the memorandum of law that I've read and the treatment of the  
7 objection, I know that there were negotiations that were  
8 entered into between counsel for the debtor and counsel for  
9 this creditor, that it had been resolved, and Ms. Dahlheimer  
10 has withdrawn her objection. So that objection no longer  
11 exists. She's going to be allowed to proceed regarding -- and  
12 collect on insurance proceeds. It's, in sum, what has  
13 occurred; correct?

14                  MR. SELIGMAN: That's correct, Your Honor.

15                  THE COURT: That's good.

16                  The other objection was filed by Kathy Green  
17 (phonetic). Is counsel for Ms. Green either here or on the  
18 telephone? No.

19                  I read the objection. It really -- it tends to  
20 support the claim that she has. Once again, it's a premises  
21 liability issue. Counsel did not do as complete an analysis as  
22 I found in the objection from Ms. Dahlheimer.

23                  But, you know, you've got \$8,100 in medical  
24 specialists; you've got \$2,000 in lost wages. I'm not sure  
25 that counsel's \$100,000 value is correct, but why isn't she

1 being treated the same way as Dahlheimer?

2 MR. SELIGMAN: Your Honor, we did reach out to  
3 counsel, and we offered to try and resolve the objection, to  
4 make clear that it was a proof of claim. There wasn't a  
5 request specifically with respect to insurance. We would have  
6 been happy to do that stipulation, but it --

7 THE COURT: I don't want to take this woman, and her  
8 only remedy might be somebody else's ENO carrier, because they  
9 overlooked what they probably should be doing here, and perhaps  
10 that lawyer should have sought benefit of bankruptcy counsel.  
11 And I see no reason not to provide for the same type of relief.

12 MR. SELIGMAN: Your Honor, that would --

13 THE COURT: The insurance proceeds -- come on. That  
14 should be -- to me it's a --

15 MR. SELIGMAN: Your Honor, that would have been fine  
16 with us too, the stipulation --

17 THE COURT: I want that --

18 MR. SELIGMAN: -- about insurance proceeds.

19 THE COURT: -- in my findings. That's one of the  
20 changes.

21 MR. SELIGMAN: We will add that and make it  
22 consistent with the Dahlheimer.

23 THE COURT: I'm not saying what you did was improper,  
24 incorrect. I see no logical distinction.

25 MR. SELIGMAN: Right. If that was the request we

1       would have been happy to do it, but that was --

2           THE COURT: That's my request.

3           MR. SELIGMAN: That's totally fine, Your Honor.

4           THE COURT: Thank you.

5           So as it stands right now, I have no outstanding  
6 objections; is that correct?

7           MR. SELIGMAN: That is correct, Your Honor.

8           THE COURT: Okay. I have also read the following:  
9 the balance summary in docket number 2895. And I read -- that  
10 was filed on April 27th and it shows that class GVR, I think, 2  
11 has voted in favor. That was the impaired class.

12           Others I have been deemed to reject because they are  
13 receiving nothing under the plan -- three, four, and five. And  
14 therefore confirmation will require analysis under 1129(b).

15           I have reviewed the prepetition solicitation  
16 materials. There were filed on May 3rd, docket number 2933.

17           There were two supplements to the plan. The first  
18 was filed on May 13th, 2011. It's docket number 3087. As far  
19 as I can determine, based on my review, it's simply a schedule  
20 of executory contracts and unexpired leases to be assumed and  
21 assigned to the buyer. Is that correct?

22           MR. SELIGMAN: That's correct, Your Honor.

23           THE COURT: And then there was a first amendment to  
24 that plan supplement, docket number 3382, filed on the 6th of  
25 June, that did exactly the same. It's additional executory

1 contracts and unexpired leases. Is that correct?

2 MR. SELIGMAN: It was actually a removal of one  
3 contract to be assumed.

4 THE COURT: That's the only change?

5 MR. SELIGMAN: Yes.

6 THE COURT: Okay. The motion to adjourn the hearing  
7 that was set for May 25th is docket number 3217. I reviewed  
8 that.

9 I have, as indicated, docket number 3253 in front of  
10 me, and I spent considerable time reviewing it.

11 I have reviewed, but I did not study, the orders and  
12 the findings of fact regarding the other -- the SCI subsidiary  
13 and Aliante subsidiary confirmed plans. I had read them  
14 enough.

15 I have read the following: I have read the proposed  
16 draft order, the proposed draft findings -- I'll go through  
17 those in a few minutes.

18 I have reviewed the memorandum of law filed as docket  
19 number 3390 on the 6th of June. Filed at 10 minutes to  
20 midnight.

21 You know, it doesn't do me much good to have things  
22 filed in the middle of the night, and it caused for a very long  
23 day and evening yesterday and last night to read these.

24 We do not rubber stamp matters here, and if you're  
25 going to file them, it strikes me that they are to serve two

1       purposes. One, you want me to read them. And two, you want  
2       the record. Well, you've made the record, and now -- and I  
3       will tell you that I have read them.

4                 But, Ms. Carlyon (phonetic), Mr. Shea's partner, got  
5       a phone call from me yesterday morning asking where these were,  
6       these pleadings. And the copy service was able to get it here  
7       several hours before they promised me they would be here. I  
8       assume I can thank Ms. Carlyon for that.

9                 But frankly, I really don't know, sometimes, what  
10      lawyers expect, especially in a case where the hearing had  
11      already been adjourned. Anyway, I've read them.

12                I read the declaration of Richard Haskins, filed as  
13      docket number 3391. I think there's -- would somebody please  
14      turn to paragraph 19 of his declaration.

15                There's a sentence in here that doesn't make any  
16      sense to me, and that may be my fault. It says -- because I  
17      was concerned about the settlement for lease provisions.  
18      That's in section 10, and I know section 11 is the  
19      exculpation. But it says: "Article 10 of the plan also  
20      contains certain settlement and release provisions." And I've  
21      gone through those in considerable detail. I'll just point  
22      that out.

23                "The comprehensive settlement and global  
24      settlement as described in the plan and  
25      disclosure statement are fundamental

1 components of the overall restructuring  
2 contained in the plan because they assured  
3 GVR and its estate that the plan and the  
4 distributions made thereunder will result  
5 in the final settlement in satisfaction of  
6 various claims against and equity interest  
7 in GVR."

8 I do not know what that means. I understand  
9 settlement of -- satisfying claims against -- who? It says,  
10 "and equity" after that. Something must have been left out.  
11 But I went back and reviewed it but I don't know what that's  
12 intended to mean.

13 And the page before is where he said, at paragraph  
14 17, "GVR is not issuing equities, and the GVR purchaser is not  
15 a corporation."

16 And then I looked at paragraph 28 where he says,  
17 "There is no substantial similarity" -- well, first of all  
18 paragraph 27 says," the consideration being paid for the GVR  
19 purchase asset is cash not the stock of the GVR purchaser."  
20 Well, if he was right it wasn't a corporation, there couldn't  
21 be stock.

22 But then you look at paragraph 28, "There is no  
23 substantial similarity between the shareholders of GVR and the  
24 shareholders of GVR purchaser." Well, if you're going to have  
25 shareholders of GVR purchaser, it's got to be a corporation.

1 That's why I did the breakdown of the ownership and made sure I  
2 understood the ownership. I think that this declaration was  
3 incorrect in that respect.

4 I have also read the declaration of Evan Pierson  
5 (phonetic) and reviewed all the exhibits. In fact, the  
6 exhibits were the most important part.

7 I read the declaration of Lawrence X. Taylor  
8 (phonetic). I think I better include the "X" if he's from New  
9 York. At any rate, the declaration of Lawrence X. Taylor in  
10 support of confirmation and the exhibits attached thereto. It  
11 sounded to be very helpful.

12 There was a motion filed to seal docket number 3395,  
13 and I signed an order sealing certain portions.

14 And I have the unredacted declarations of Pierson --  
15 Mr. Pierson and Mr. Taylor. Mr. Taylor is with Odyssey  
16 Consulting, and that -- he did most of the work for the  
17 investigation committee -- a committee of one, Mr. Bible, and  
18 so I'm familiar with that.

19 I have read the declaration of Walt Brown (phonetic)  
20 who provided an analysis of any potential preference payments.  
21 That's docket number 3392. And -- okay, hold it -- I have  
22 annotated the -- followed the explanation that he provided to  
23 me of the payments.

24 I did look briefly at docket number 3186, that was  
25 the first amended plan. That was when PSI was added. Not

1 really germane.

2 And then I received this morning a notice of filing  
3 an amended statement of financial affairs, docket number 3407.

4 Have I read all the pleadings that have been -- that  
5 anyone has filed regarding the hearing that I have settled for  
6 today -- that I set for today?

7 MR. SELIGMAN: Your Honor?

8 THE COURT: Please.

9 MR. SELIGMAN: David Seligman on behalf of the  
10 debtors.

11 Your Honor, the other items which I just wanted to  
12 mention for the record which I know you've stated you've read  
13 before, was several first day declarations --

14 THE COURT: Well, I've read all the first days. I  
15 went back. I know that you referred to them in the findings.  
16 One moment. I'm looking at the proposed findings, and you --  
17 well, you can't see. But I went through and checked off each  
18 docket number and have insured that I read them.

19 And in fact, one of the changes will be in paragraph  
20 9, if you want to turn to your findings, proposed findings, and  
21 I can give you the docket numbers that were blanks.

22 Memorandum of law is 3390.

23 Then I read the docket numbers -- Mr. Friel's  
24 declaration, Mr. Bible's declaration, Dr. Knave's (phonetic),  
25 Mr. Haskins'. Mr. Haskins, and this is docket number 3391.

1 Mr. Pierson is 3393. Walt Brown is 3392. Lawrence X. Taylor  
2 is 3394. All right? So I did read them.

3 MR. SELIGMAN: Thank you, Your Honor.

4 THE COURT: Is there anything else? Any other  
5 pleadings I may have overlooked?

6 MR. SELIGMAN: I don't believe so, Your Honor.

7 THE COURT: Okay. Thank you. As I did when I  
8 considered the SCI subsidiary and the Aliante plans, I have  
9 reviewed in detail the findings and the conclusions as well as  
10 the proposed order. I adopt those as my findings and  
11 conclusions.

12 There's -- I need to look at one on the order at  
13 paragraph -- proposed order at paragraph 41.

14 By the way, I went through, just so -- I'm very  
15 concerned in every case about the settlements. I know that  
16 they are voluntary by the -- because I first said what does  
17 that mean, "indicate." Then I realized that they're indicating  
18 an imbalance, so I'm willing to allow the word "indicate."  
19 Those are the third party releases.

20 And I understand what the global settlement is; I  
21 understand what's being released. And the exculpation applies  
22 to a large number of parties for their work on the bankruptcy  
23 case and the plan, and I understand that.

24 Paragraph 41 of the order, do we need that now?

25 MR. SELIGMAN: Your Honor, I don't believe we need

1 it.

2 THE COURT: I think it should be rewritten. It says,  
3 "As a result of the order that was entered" -- whenever the  
4 order is that I just approved today, that the committee -- that  
5 the U.S. Trustee resolicited and that there were no responses  
6 to that office's resolicitation. And I think that that should  
7 be what's in here.

8 MR. SELIGMAN: We will make that change.

9 THE COURT: I think it's paragraph 9 of the plan that  
10 deals with the effective date, starting on page 129 of the  
11 plan. Yes. There you've got certain --

12 First of all, there will be separate hearings.  
13 That's accomplished.

14 B, conditions to proceed with the confirmation -- all  
15 right. You'll get an order.

16 Condition proceed to the occurrence of the applicable  
17 effective date. And then you'd list, what? A through H. And  
18 you'll have an order for paragraph A. Order for paragraph B.  
19 I think C's already been accomplished. I don't know what you  
20 intend to do regarding D. E, I'm sure is accomplished. F, has  
21 that been accomplished?

22 MR. SELIGMAN: Yes, Your Honor.

23 THE COURT: I thought so.

24 G, I'm not sure of any regulatory approval that's  
25 necessary. Or is it necessary?

1                   MR. SELIGMAN: Well, Your Honor, I'm sorry. I was  
2 looking at the -- under section 2, the conditions precedent to  
3 GVR effective date.

4                   THE COURT: I'm sorry. That's where I belong. I was  
5 looking at the -- -- I'm sorry. You're right. I have the tab  
6 here. The regulatory is F. Is there more regulatory authority  
7 approval that needs to be -- do you need more --

8                   MR. SELIGMAN: Not to my --

9                   THE COURT: Do you have to go in front of the gaming  
10 commission?

11                  MR. SELIGMAN: There's no further regulatory  
12 approvals on the gaming side that I'm aware of. Yes, I'm  
13 getting confirmation. That's correct.

14                  THE COURT: That's what I would have thought. Okay.

15                  After reading all of these, when is going to be the  
16 effective date?

17                  MR. SELIGMAN: Your Honor, David Seligman again.

18                  Your Honor, I believe the idea of the effective date is we  
19 want to have it occur as soon as possible, as we've -- as you  
20 are well aware, with the Station's plan being confirmed, the  
21 idea is just to go effective on that one as soon as possible.  
22 I don't know that there was any specific date, but with the  
23 regulatory approval behind us, I think that it's sort of an as-  
24 soon-as-possible track. I don't think that there is --

25                  THE COURT: How about a "not later than"?

1                   MR. SELIGMAN: If you'll give me a moment, Your  
2 Honor?

3                   THE COURT: Sure.

4                   MR. SELIGMAN: Your Honor, I was just confirming with  
5 my client. The actual schedule is -- the idea is to try and  
6 close Stations actually next week, June 15th. So I think the  
7 idea would be to try and close GVR at or around that time frame  
8 as well.

9                   THE COURT: June 15th was a deadline for  
10 confirmation, as I understand it. Is that correct?

11                  MR. SELIGMAN: That's correct, Your Honor.

12                  MR. MURPHY: That's correct, Your Honor.

13                  THE COURT: Was there an effective day?

14                  MR. MURPHY: June 30.

15                  MR. SELIGMAN: There was also --

16                  THE COURT: That's going to be the effective date  
17 then.

18                  MR. SELIGMAN: That June 30th date was the outer end  
19 of --

20                  MR. MURPHY: The last date for on effective date.

21                  THE COURT: That gives you more than enough time  
22 then, doesn't it?

23                  MR. SELIGMAN: Yeah. No, I don't think it's the --  
24 oh, so you're saying, Your Honor, no later than June 30th.

25                  THE COURT: That's exactly what I'm saying.

1                   MR. SELIGMAN: I think that that is -- that's fine,  
2 Your Honor.

3                   THE COURT: That way everybody knows.

4                   MR. SELIGMAN: That's fine, Your Honor.

5                   THE COURT: Thank you.

6                   MR. MURPHY: Thank you, Your Honor.

7                   THE COURT: So change the date. That should be in  
8 the findings; it should be in the order.

9                   MR. MURPHY: Your Honor, if I may?

10                  THE COURT: One moment, please. I'm going through my  
11 notes. All right. Let me just --

12                  MR. MURPHY: Just to correct a point on the record  
13 from a few --

14                  THE COURT: Oh, please.

15                  MR. MURPHY: -- moments ago, if I may.

16                  As we were going through conditions precedent to  
17 effective dates, there was -- we spent a little time in section  
18 1 before moving over to --

19                  THE COURT: But that was wrong.

20                  MR. MURPHY: -- section 2.

21                  THE COURT: I was in the wrong section.

22                  MR. MURPHY: Well, therefore, I wanted to point out  
23 that subsection E, while it may have been met for the other  
24 plans, is it the one we were just talking about --

25                  THE COURT: Right.

1 MR. MURPHY: -- a moment ago. And the conditions for  
2 the purchase agreement to close are found in article 10 --

3 THE COURT: Right.

4 MR. MURPHY: -- of the APA, which APA, regrettably,  
5 using the term "effective date" in a way completely alien to  
6 how you use it, Your Honor, but uses it --

7 THE COURT: That's when I said go back to the  
8 preamble.

9 MR. MURPHY: That's when my client signed their PSA,  
10 her plan support agreement. That's what "effective date" means  
11 in the APA.

12 THE COURT: Okay. That's helpful.

13 MR. MURPHY: The real conditions that have to be  
14 met --

15 THE COURT: I have the PSA, by the way, in front of  
16 me.

17 MR. MURPHY: I believe so.

18 THE COURT: I use --

19 MR. MURPHY: But the conditions that will need to be  
20 met by June 30 are those --

21 THE COURT: We should clarify --

22 MR. MURPHY: -- in article 10 of the APA.

23 THE COURT: -- PSA is plan support agreement. Okay.  
24 Fine. Thank you, that is helpful.

25 MR. MURPHY: Thank you.

1                   THE COURT: I was just struggling to find out when  
2 the parties intended this to occur. Now we know, not later  
3 than June 30th, and that's fine by me.

4                   MR. MURPHY: I'm fine with first-lien lenders as  
5 well, Your Honor.

6                   THE COURT: I assumed it would be. Okay.

7                   Do you have any evidence to offer, other than the  
8 evidence that has been submitted in the form of an affidavit or  
9 declaration?

10                  MR. SELIGMAN: Your Honor, that was it. The only  
11 housekeeping matter was that for two of the declarants,  
12 Mr. Pierson and Mr. Taylor, because they were submitting  
13 reports we were going to be tendering them as experts with  
14 respect to the matters set forth in their reports. And so we  
15 tender them for that purpose and ask for admission into  
16 evidence. But other than that there's nothing else, Your  
17 Honor.

18                  THE COURT: Well, let me make this clear that I am  
19 going to consider all of the declarations that I referred to  
20 that are already in the findings as part of the evidentiary  
21 basis for my ruling together with all the exhibits that were  
22 attached thereto. I saw no objections. I've read them; I'm  
23 going to consider them and have considered them. So the  
24 findings are correct on that point.

25                  Does anybody else have any evidence they wish to

1 offer at this time? No. All right.

2 I've already, as indicated reviewed the findings and  
3 the conclusions. I don't -- I've reviewed the memorandum of  
4 law, which is a very detailed explanation, going through all of  
5 the various provisions of 1129(a) and the sub parts thereof,  
6 1122, 1123, 1125, 1126.

7 I have studied the 1129(b) analysis. It's really  
8 based on the second portion of 1129(b)(2)(B) which is the "or,"  
9 which is the absolute priority rule, because the entire amount  
10 of the 500 million is going to go to the first-lien creditors;  
11 there will be no payment to either the second-lien lenders or  
12 to any unsecured creditors in this case. And I understand  
13 that. So it appears to me that the absolute priority rule has  
14 been satisfied.

15 So I don't think I need much argument, but I've given  
16 you the opportunity if there's anything I've overlooked or you  
17 think I need to hear, counsel.

18 MR. SELIGMAN: Your Honor, David Seligman on behalf  
19 of the debtors.

20 Your Honor, as I was going through my notes, I  
21 don't -- other than a recitation of the satisfaction of the  
22 1129 confirmation standards which Your Honor has already eluded  
23 to, I don't think that I have anything additional to add in  
24 terms of arguments unless Your Honor had any specific  
25 questions, which --

1 THE COURT: I've been through --

2 MR. SELIGMAN: -- I know you'd have asked --

3 THE COURT: -- my questions.

4 MR. SELIGMAN: -- if you had. So I think with that,  
5 Your Honor, I don't think we have anything else.

6 The one thing I just want to add, Your Honor, is on  
7 the memorandum of law, I do apology for us getting to that  
8 late. We were waiting just to see if the individual lenders  
9 were going to file something on Monday afternoon.

10 But be that as it may, we apologize for  
11 inconveniencing you and certainly Your Honor has been very good  
12 about reading all these documents in this case. So with that,  
13 Your Honor, I don't have anything else unless Your Honor has  
14 any questions.

15 THE COURT: I don't. Does anybody else wish to be  
16 heard regarding this matter?

17 Counsel, I think your client wants to talk to you.

18 All right then. I am going to confirm the plan of  
19 reorganization. I would sign the findings and conclusions as  
20 amended or modified, as I've placed on the record today,  
21 together with the order. I don't think I've overlooked  
22 anything.

23 I know that at the beginning of the hearing I didn't  
24 ask for counsel to enter their appearances because I didn't  
25 want, frankly, to waste everybody's time. Please make sure

1       that you talk to my courtroom deputy and your appearances are  
2       noted.

3           We do -- I know there are a number of participants by  
4       telephone. The service that provides telephonic participation  
5       has provided us a list of those folks, so we have that.

6           I think the next hearing I have in this matter, then,  
7       will be on July 8th.

8           Is there anything that anybody wishes to bring to my  
9       attention at this time? Mr. Shea?

10          MR. SHEA: Your Honor, I just wanted to make sure you  
11       put these --

12          THE COURT: Please go to the podium.

13          MR. SHEA: Good morning, Your Honor. James Patrick  
14       Shea of Shea and Carlyon, appearing as Nevada counsel for GVR.

15           With regards to the orders that were discussed  
16       previously, I'm assuming that no one will have -- they won't  
17       have to recirculate it -- just to leave it to the court.

18          THE COURT: They are my orders. They are my orders.

19          MR. SHEA: Correct, Your Honor.

20          THE COURT: They are my findings. No. Very well.

21          MR. SHEA: I just wanted to --

22          THE COURT: Just submit them to me.

23          MR. SHEA: Given the short time frame --

24          THE COURT: Just give them to me.

25          MR. MURPHY: -- that we discussed, I just wanted to

1 confirm that so there wouldn't be --

2 THE COURT: We've already --

3 MR. SHEA: -- a need to --

4 THE COURT: -- done that.

5 MR. SHEA: Thank you, Your Honor.

6 THE COURT: The 9021 process has been concluded. You  
7 now have my findings and my order. Thank you very much. Good  
8 question.

9 MR. SHEA: Thank you.

10 THE COURT: You're welcome. Is there anything else?  
11 Thank you all very much.

12 (Proceedings Concluded)

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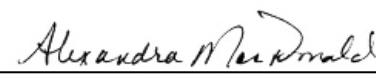
15

16 I certify that the foregoing is a correct transcript from  
17 the record of proceedings in the above-entitled matter.

18

19

20 Dated: June 9, 2011

  
\_\_\_\_\_  
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